April 3, 2002

Ms. Magalie Roman Salas,
Office of the Secretary
Federal Communications Commission
445 - 12th Street, SW, Ste. TW-A325
Washington, DC 20554

Dear Ms. Salas,

I am pleased to submit to you the Seattle Public Library's comments for
the Notice of Proposed Rule Making and Order, CC Docket No. 02-6 in the
matter of Schools and Libraries Universal Service Support Mechanism. We
appreciate this opportunity to provide feedback and hope that this
process helps to improve the equity and efficiency of the program.

Item 14: Computerized Eligible Services List for 471 (p. 8)
In regard to creating a computerized eligibility list of products and
services to be used during the 471 application process, we see both
advantages and disadvantages to this proposal. On one hand, it could
facilitate the application review process since both the applicants and
the SLD staff would have a more clear definition of the eligible
services. However, a list may define services too tightly so that new
technologies would be ineligible. If such a list were developed, it
would need to allow for an "other" option so that applicants could
include new technologies and explain why these new products or services
should be eligible. We also have concerns that this list may encourage
an automatic denial of items in this "other" category, and ultimately
result in loss of funding for applicants or a dramatic increase in
appeals. Finally, while a list may help to reduce errors due to
misinterpretations of eligibility, it doesn't appear to be an effective
tool for reducing fraud.

Item 21: Wireless Service (p. 10)
Wireless telephone service should be eligible for all school and
library staff. Support staff are an integral part of school and library
teams and provide important functions necessary for "educational
purposes" to take place. Furthermore, since all wireline services are
eligible regardless of the users, wireless services that provide the
same functionality should also be approved.

Item 22: Voice mail (p. 10-11)
Voice mail is an important means of communication for schools and
libraries and should be eligible for e-rate funding. By making voice
mail eligible for funding, you would be improving the equity of the
program since email is already eligible. Furthermore, if voice mail
were an eligible service it would reduce the administrative costs and
fraud associated with eliminating these costs from telephone service
bills.

Item 28: Compliance with the Americans with Disabilities Act (p. 13)
     We support the requirement that entities receiving Universal
Service funds should be in compliance with the Americans with
Disabilities Act. Any language developed for such a requirement should
be consistent with the federal rules and legislation currently in place
for other programs that receive federal funding. However, we have

concerns about how this type of requirement could be monitored and enforced.

Items 34-36: Choice of Payment Method (p. 16)
    The Administrator should continue to allow discounts to be processed via the BEAR method or through up-front credits provided by the service providers in order to maintain flexibility to meet the needs of all program participants. All efforts should be made by the service providers and billed entities to find a mutually agreeable method for obtaining the e-rate discounts for services, however, the billed entity's financial constraints should take precedence over those of the service providers.
Despite having several years of experience in working through reimbursement issues, our Library continues to experience difficulties in obtaining reimbursements in a timely manner. The BEAR method for obtaining discounts requires a significant amount of time for paperwork and follow up with the service providers. Reimbursement checks from half of our service providers are consistently delayed for 60-90 days after they have received the funds from the SLD, despite our practice of calling the service provider every two weeks until we receive the funds.
 When we have called the SLD for assistance in this matter, they have indicated that they have no authority to intercede on our behalf. It would be helpful to have some avenue of recourse in these situations. Given these challenges in obtaining reimbursements, we would not object to extending the payment remittance to 20 days, provided that sufficient enforcement and penalty measures are put in place to ensure timely receipt of payments.

Items 37-40: Equipment Transferability (p.16-18)
    As a library that is routinely denied internal connections funding because our discount rate is too low, we strongly object to other entities transferring equipment to other schools or libraries in the same district that may not have been eligible for such equipment. Limiting transfers for 3 years would be a fair restriction to counter this situation, however, it would be very difficult to monitor and enforce and therefore may not be effective in addressing the problem. The issues presented in this item also bring to light another inequity within the e-rate program. Due to the fact that libraries may only use the district-wide average discount, they are routinely denied fair access to the internal connections funding. Many schools in Seattle are able to take advantage of the internal connections funds because they can use a discount rate based on the lunch program numbers for that individual school. However, library branches that are located next to these same schools are denied funding because they must use the district-wide average discount.

Items 48-52: Appeals Procedure (p. 20-22)
    We support the extension of the time to submit an appeal to 60 days. The current time limit of 30 days does not allow Billed Entities enough time to research the decision, understand the impacts and prepare a response. Furthermore, we support the idea of changing the date that the appeal is deemed filed to the postmark date, rather than the date of receipt, so that it is consistent with other e-rate filing deadlines.
    Another suggestion we have in regard to the appeals process is to create a time limit for the review of the appeal by the Administrator. One appeal that we recently submitted took over 5 months for review. Although we had initial discussions with a representative

from the Correspondence Unit, we were unable to contact that person
again to check on the status of the appeal. Despite monthly follow-ups
with the Customer Service Center and the Technical Service Bureau, they
were unable to find information on the status of our appeal and
indicated that the waiting period was not out of the ordinary. By
providing a contact person who accepts responsibility for each appeal
and offering open communication with the applicant on the details of the
timing and the issues relating to the decision, you would ensure a much
more fair and effective process.

Items 53-57: Funding of Successful Appeals (p. 22-24)
        We strongly support the proposal to fully fund successful
appeals to the same extent that they would have been funded in the
initial application process had they not been initially denied funding.
In order to ensure that this funding is available, we agree that the
Administrator should rely on any other funds that remain from the
current funding year first, including funds that had never been
committed and funds that had been committed but were never used by the
original recipients. Given the program history, it appears that current
year funding should be adequate, however, if these sources are
unavailable or insufficient, the Administrator could then use funds from
the next funding year as soon as they become available.

Item 58-59: Independent Audits (p. 24)
        If the Administrator has reason to believe that serious problems
or fraud are occurring, they should have the authority to require
independent audits. The Administrator should have a sufficient budget
to pay for necessary audits. However, if a Billed Entity is found to
have committed fraud, it should be required to reimburse the
Administrator for the cost of the audit, in addition to any other
penalties imposed under program rules.

Items 67-68: Reduction of Unused Funds (p. 26-27)
Since experience has proven that nearly 30% of committed funds are not
used, the Administrator should base the overall amount of committed
funds each year on a formula that takes into consideration past levels
of disbursement. The formula should include a factor to cover appeals
that are granted within a given program year. These funds have been
collected and set aside for technological assistance to schools and
libraries and new policies should be put in place to ensure that the
funds are readily disbursed for their intended purpose.

Items 69-70: Treatment of Unused Funds (p. 27-28)
We do not support the option of crediting the unused funds back to the
contributors through reductions in the contribution factor. Given the
amount of funding requests that are denied each year due to limited
funding, we believe that the program goals are best served by ensuring
that the available funds are disbursed for their intended purpose. The
needs for and benefits of these funds have been clearly established and
administrative issues in distributing the funds should not be a reason
to repeatedly reduce the funds available for this important program.
Furthermore, we believe that unused funds from one program year should
be allowed to be distributed in subsequent funding years, in excess of
the annual cap. This method would provide greater access to the
internal connections funds, thus addressing another inequity of the
program where the same schools and libraries repeatedly receive this
type of funding while others are repeatedly denied.

Item 82: Paperwork Reduction Act Analysis
One of our service providers, AT&T, has developed a web-based system for requesting reimbursements for e-rate discounts. This system is by far the easiest, fastest and most efficient method we have seen for obtaining discounts. Once basic contact information and FRN data is entered into their system, we simply input our monthly pre-discount charges to request a reimbursement check. Reimbursement checks are received within only a few weeks of our entry. Using the BEAR method for these same FRNs would require a few hours of paperwork and take several months to receive the checks. We have also had numerous problems when a service provider attempted to charge us discounted rates instead of using the BEAR forms. With one vendor, the amount of our staff time required to resolve the billing problems created by their system surely was more than the actual discount received. The AT&T system seems to provide the benefits of both methods and we strongly suggest that you review their system to see if there may be some application for all program participants.

If you have any questions or need clarification of any of our comments, please do not hesitate to call me or our IT Manager Rochelle Wyatt at 206-615-0430 or our consultant Claire O'Flaherty at 206-523-5004. We would be happy to provide any additional information to help you with this process.

Sincerely,

Deborah Jacobs, City Librarian